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**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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Postlethwaite  
& Netterville

A Professional Accounting Corporation

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**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Iberia Industrial Development Foundation  
New Iberia, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Iberia Industrial Development Foundation (the Foundation) (a nonprofit organization) which comprises the statement of financial position as of December 31, 2014, the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Iberia Industrial Development Foundation as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise of the Foundation's basic financial statements. The accompanying financial information as listed in the Table of Contents as the Schedule of Functional Expenses and the Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer is presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015 on our consideration of the Iberia Industrial Development Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Iberia Industrial Development Foundation's internal control over financial reporting and compliance.

*Pastlethwaite & Netterville*

Lafayette, Louisiana

June 19, 2015

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2014**

**ASSETS**

**CURRENT ASSETS**

|                           |                |
|---------------------------|----------------|
| Cash and cash equivalents | \$ 100,258     |
| Certificates of deposit   | 26,479         |
| Accounts receivable       | 37,048         |
| Prepaid expenses          | 4,213          |
| Total current assets      | <u>167,998</u> |

**PROPERTY AND EQUIPMENT**

|                               |                       |
|-------------------------------|-----------------------|
| Land                          | 11,000                |
| Building                      | 71,530                |
| Building improvements         | 88,616                |
| Equipment                     | 63,939                |
|                               | <u>235,085</u>        |
| Less accumulated depreciation | (143,637)             |
| Net property and equipment    | <u>91,448</u>         |
| <br>Total Assets              | <br><u>\$ 259,446</u> |

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

|                               |              |
|-------------------------------|--------------|
| Accounts payable              | \$ 1,969     |
| Accrued and other liabilities | 1,612        |
| Total Current Liabilities     | <u>3,581</u> |

**NET ASSETS**

|                                      |                       |
|--------------------------------------|-----------------------|
| Unrestricted net assets              | <u>255,865</u>        |
| Total net assets                     | <u>255,865</u>        |
| <br>Total Liabilities and Net Assets | <br><u>\$ 259,446</u> |

The accompanying notes are an integral part of these financial statements.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2014**

|   | Unrestricted             | Temporarily<br>Restricted | Total                    |
|---|--------------------------|---------------------------|--------------------------|
| <b><u>REVENUES AND OTHER SUPPORT</u></b>            |                          |                           |                          |
| Hotel/motel tax revenue                             | \$ 268,774               | \$ -                      | \$ 268,774               |
| Contributions                                       | 35,650                   | -                         | 35,650                   |
| Membership dues                                     | 23,750                   | -                         | 23,750                   |
| Interest earnings                                   | 4                        | -                         | 4                        |
| Rental income                                       | 4,500                    | -                         | 4,500                    |
| Fee revenue   | 30,000                   | -                         | 30,000                   |
| Miscellaneous income                                | 415                      | -                         | 415                      |
| <b><u>NET ASSETS RELEASED FROM RESTRICTIONS</u></b> |                          |                           |                          |
| Satisfaction of program restrictions                | 1,282                    | (1,282)                   | -                        |
| Total revenue and other support                     | <u>364,375</u>           | <u>(1,282)</u>            | <u>363,093</u>           |
| <b><u>EXPENSES</u></b>                              |                          |                           |                          |
| Program   | 241,901                  | -                         | 241,901                  |
| Management and general                              | 112,120                  | -                         | 112,120                  |
| Total expenses                                      | <u>354,021</u>           | <u>-</u>                  | <u>354,021</u>           |
| Change in net assets                                | 10,354                   | (1,282)                   | 9,072                    |
| Net assets at beginning of year                     | <u>245,511</u>           | <u>1,282</u>              | <u>246,793</u>           |
| Net assets at end of year                           | <u><u>\$ 255,865</u></u> | <u><u>-</u></u>           | <u><u>\$ 255,865</u></u> |

The accompanying notes are an integral part of these financial statements.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                          |
|---|--------------------------|
| Change in net assets  | \$ 9,072                 |
| Adjustments to reconcile the change in net assets to net cash provided by operating activities: |                          |
| Depreciation  | 7,149                    |
| Changes in assets and liabilities -   |                          |
| (Increase) decrease in assets:  |                          |
| Accounts receivable   | (3,357)                  |
| Prepaid expenses  | (382)                    |
| Increase (decrease) in liabilities:   |                          |
| Accounts payable  | (5,533)                  |
| Accrued and other liabilities   | (6,960)                  |
| Net cash used in operating activities   | <u>(11)</u>              |
| Net decrease in cash and cash equivalents   | (11)                     |
| Cash and cash equivalents - beginning of year   | <u>100,269</u>           |
| Cash and cash equivalents - end of year   | <u><u>\$ 100,258</u></u> |

**SUPPLEMENTAL INFORMATION**

|                            |                     |
|----------------------------|---------------------|
| Cash payments for interest | <u><u>\$ 25</u></u> |
|----------------------------|---------------------|

The accompanying notes are an integral part of these financial statements.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**Nature of Business**

The Iberia Industrial Development Foundation (the "Foundation") is a nonprofit corporation which was organized under the laws of the State of Louisiana for the purpose of promoting industrial and economic development for the Parish of Iberia. The Foundation derives most of its revenue and support through a hotel/motel tax, membership dues, contributions, and grants.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents**

For purposes of financial statement presentation, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

The Foundation records the hotel/motel taxes collected on its behalf by the parish government for the calendar year but not yet received by the Foundation at year end as accounts receivable. Given the nature these transactions, amounts are deemed collectible and management does not believe an allowance is necessary at December 31, 2014.

**Property and Equipment**

Property and equipment are recorded at cost. Donated assets are recorded at the estimated fair value at date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

|                         | <u>Years</u> |
|-------------------------|--------------|
| Building                | 25           |
| Building Improvements   | 3-25         |
| Furniture and Equipment | 3-10         |

Maintenance and repairs are expensed as incurred. Costs which significantly increase asset values or extend useful lives are capitalized.

**Contributions and restrictions**

The Foundation reports information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, or permanently restricted when received depending on the existence and nature of donor restrictions. When restrictions are satisfied, revenues are reclassified and reported as net assets released from restrictions.



**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Significant Accounting Policies** (continued)

**Contributions and restrictions** (continued)

Grants for fee income are recorded as unrestricted net assets in the Statement of Activities. All grantor-restricted support is reported as an increase in temporarily restricted net assets in the Statement of Activities.

**Hotel/motel tax revenue**

Ordinance 87-08-552 of Iberia Parish Council, passed on September 9, 1987, called for the imposition of a 2% hotel/motel tax in Iberia Parish for the benefit of the Foundation. Under an agreement with the same, Iberia Parish Government acts as collecting agent for the tax withholding a 2% fee for administrative purposes.

**Membership Dues**

Membership dues are recognized as revenues on the calendar year basis. Membership is completely voluntary and dues are decided by the member-elected board of directors.

**Advertising**

Advertising costs are expensed as incurred. Total advertising expense was \$2,067 for the year ended December 31, 2014. The Foundation recognized \$1,500 of revenue and expense from advertising barter transactions (see Note 5).

**Federal Income Taxes and Uncertain Tax Positions**

The Foundation is an exempt organization for federal income tax purposes under Section 501(c)(6) of the Internal Revenue Code.

Management has determined that the Foundation does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge.

**2. Concentrations of Credit Risk**

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash and investments. At December 31, 2014, these balances were covered by FDIC insurance. Temporary investments (money markets) of \$73,006 at December 31, 2014 consisted of short-term investments placed with brokerage firms. While not insured by FDIC, protections are afforded for these amounts through the Securities Investor Protection Corporation (SPIC) and the Customer Asset Protection Company (CAPCO).

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**3. Note Payable and Line of Credit**

The Foundation has an unsecured line of credit of \$25,000 which expires on April 29, 2015. Interest is payable monthly at a rate of 3% of the total outstanding balance. The balance on the line of credit at December 31, 2014 was zero.

**4. Contributions**

Included in support are contributions from local governmental bodies as follows:

|                                 |                  |
|---------------------------------|------------------|
| City of New Iberia              | \$ 5,000         |
| Iberia Parish Government        | 2,500            |
| Port of Iberia                  | 15,000           |
| Iberia Parish School Board      | 10,000           |
| Iberia Parish Airport Authority | 2,500            |
| Twin Parish Port Commission     | 650              |
|                                 | <u>\$ 35,650</u> |

**5. In-Kind Contributions**

The Foundation accepts in-kind contributions in exchange for membership dues. The fair value of contributions received in-kind for membership dues amounted to \$1,500 for the year ended December 31, 2014.

**6. Net Assets Released from Restrictions**

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors for the following programs:

|                                       |                 |
|---------------------------------------|-----------------|
| Acadiana Gulf Oil Spill Recovery Plan | <u>\$ 1,282</u> |
|---------------------------------------|-----------------|

**7. Concentration of Revenues**

The Foundation's major source of revenue is a 2% hotel/motel tax within the boundaries of Iberia Parish. This tax accounted for approximately 74% of total revenues for the year ended December 31, 2014.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Related Party Transactions**

**Iberia Economic Development Authority**

Members of the Foundation's board also sit on the board of the Iberia Economic Development Authority (IEDA). However, the related board members do not make up a majority of the IEDA board and thus, IEDA is not required to be consolidated with the Foundation for financial statement reporting purposes. However, during 2014 there were transactions between IEDA and the Foundation.

Total revenues the Foundation received from IEDA in 2014 total \$30,000 which is comprised of a monthly supply and service fee of \$2,500 related to a memorandum of understanding that was signed with IEDA in 2013.

**Iberia Development Foundation**

Members of the Foundation's board also sit on the board of the Iberia Development Foundation. In 2014, the Foundation incurred \$18,482 in expenses on behalf of the Iberia Development Foundation. These expenses were reimbursed by Iberia Development Foundation to the Foundation during the fiscal year.

**9. Related Party Transactions**

The Foundation amended the memorandum of understanding with IEDA discussed in Note 8 above. As of January 1, 2015 the Foundation will be receiving \$3,500 per month from IEDA for supplies and services provided by the Foundation.

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through June 19, 2015, the date the financial statements were available to be issued. This evaluation did not result in any additional subsequent events that necessitated any additional disclosures and/or adjustments under generally accepted accounting principles.

**SUPPLEMENTAL INFORMATION**

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2014**

|                              | <u>Program</u>    | <u>Management<br/>and General</u> | <u>Total</u>      |
|------------------------------|-------------------|-----------------------------------|-------------------|
| Salaries, benefits and taxes | \$ 172,641        | \$ 57,547                         | \$ 230,188        |
| Business and job development | 38,409            | -                                 | 38,409            |
| Special projects             | 12,053            | -                                 | 12,053            |
| Consulting                   | 1,266             | -                                 | 1,266             |
| Advertising and marketing    | 2,067             | -                                 | 2,067             |
| Automobile                   | 5,850             | 1,950                             | 7,800             |
| Depreciation                 | -                 | 7,149                             | 7,149             |
| Dues and subscriptions       | 3,493             | -                                 | 3,493             |
| Insurance                    | -                 | 4,403                             | 4,403             |
| Interest                     | -                 | 25                                | 25                |
| Office                       | 6,122             | 6,122                             | 12,244            |
| Professional fees            | -                 | 9,950                             | 9,950             |
| Repairs and maintenance      | -                 | 7,455                             | 7,455             |
| Telephone and internet       | -                 | 8,792                             | 8,792             |
| Utilities                    | -                 | 7,691                             | 7,691             |
| Miscellaneous                | -                 | 1,036                             | 1,036             |
| Total expenses               | <u>\$ 241,901</u> | <u>\$ 112,120</u>                 | <u>\$ 354,021</u> |

See accompanying independent auditors' report.

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS**  
**TO THE CHIEF EXECUTIVE OFFICER**

**YEAR ENDED DECEMBER 31, 2014**

**Agency Head Name: Michael J. Tarantino**

| <b>Purpose</b>                         | <b>Amount</b>                      |
|--|------------------------------------|
| Salary                                 | 120,770                            |
| Benefits-insurance                     | 20,179                             |
| Benefits-retirement                    | 6,560                              |
| Car allowance                          | 7,800                              |
| Vehicle provided by government         | -0-                                |
| Business Meeting Expenses              | 798                                |
| Mobile Phone and Data Expenses         | 2,232                              |
| Travel                                 | 10,109                             |
| Registration fees                      | 1,155                              |
| Conference travel                      | (included in travel charges above) |
| Continuing professional education fees | -0-                                |
| Housing                                | -0-                                |
| Unvouchered expenses *                 | -0-                                |
| Special meals                          | -0-                                |

\*an example of an unvouchered expense would be a travel advance

See accompanying independent auditors' report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Iberia Industrial Development Foundation  
New Iberia, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of financial position and the related statements of activities and changes in net assets and cash flows of the Iberia Industrial Development Foundation as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Iberia Industrial Development Foundation's basic financial statements, and have issued our report thereon dated June 19, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Iberia Industrial Development Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iberia Industrial Development Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iberia Industrial Development Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (2014-1).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Iberia Industrial Development Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Organization's Response to Findings**

The Iberia Industrial Development Foundation's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Foundation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Lafayette, Louisiana  
June 19, 2015



**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**SCHEDULE OF AUDIT FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2014**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2014-1 Segregation of Duties**

|                        |   |
|------------------------|---|
| <u>Criteria:</u>       | Internal control over financial reporting should include policies and procedures that ensure that controls over the accounting function are segregated to serve as a check and balance.                                   |
| <u>Cause:</u>          | During our audit we noted that a single individual reconciles bank accounts, performs all payroll duties, and maintains the general ledger.   |
| <u>Condition:</u>      | Due to the limited number of people working for the Foundation, many of the critical duties are combined and assigned to two employees. Presently, a single individual performs the majority of the accounting functions. |
| <u>Effect:</u>         | The lack of segregation of duties in the accounting function constitutes a material weakness in their internal control over financial reporting. This is a repeat finding from the prior year.                            |
| <u>Recommendation:</u> | Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.   |

***View of Responsible Official and Planned Corrective Action:***

***Management has provided as much segregation of duties as possible with the resources available.***

**IBERIA INDUSTRIAL DEVELOPMENT FOUNDATION**  
**NEW IBERIA, LOUISIANA**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2013-1 Segregation of Duties**

|                        |   |
|------------------------|---|
| <u>Criteria:</u>       | Internal control over financial reporting should include policies and procedures that ensure that controls over the accounting function are segregated to serve as a check and balance.                                   |
| <u>Cause:</u>          | During our audit we noted that a single individual reconciles bank accounts, performs all payroll duties, and maintains the general ledger.   |
| <u>Condition:</u>      | Due to the limited number of people working for the Foundation, many of the critical duties are combined and assigned to two employees. Presently, a single individual performs the majority of the accounting functions. |
| <u>Effect:</u>         | The lack of segregation of duties in the accounting function constitutes a material weakness in their internal control over financial reporting.  |
| <u>Recommendation:</u> | Keeping in mind the limited number of employees to which duties can be assigned, the Foundation should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.   |

***View of Responsible Official and Planned Corrective Action:***

*Management has provided as much segregation of duties as possible with the resources available.*

***Current Status:*** *Not resolved. See finding 2014-1.*